

Department of Social and Health Services

**DP Code/Title: M2-5T Food Assistance Program**

**Program Level - 060 Economic Services Admin**

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Budget Period: 2001-03    Version: F3 060 2001-03 2003 Sup Agency Req

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**Recommendation Summary Text:**

During the Fiscal Year 2002 Supplemental budget process, the Legislature reduced the Fiscal Year 2003 budget for State Food Assistance for Legal Immigrants (FAP) program to \$4.47 million. The reduction was based on the assumption that the Farm Bill would restore federal benefits to most legal immigrants effective October 1, 2002. Under the Food Stamp Reauthorization Act of 2002, federal benefit restoration for the largest portion of the legal immigrant population was delayed until April 2003. This step requests additional funds for Fiscal Year 2003 only to meet the ongoing need of this program.

**Fiscal Detail:**

**Operating Expenditures**

	<u>FY 1</u>	<u>FY 2</u>	<u>Total</u>
<b>Overall Funding</b>			
001-1 General Fund - Basic Account-State	0	2,820,000	2,820,000
<b>Total Cost</b>	<b>0</b>	<b>2,820,000</b>	<b>2,820,000</b>

**Staffing**

**Package Description:**

The Legislature authorized \$4.47 million in Fiscal Year 2003 for FAP. This amount was based on the assumption that the Farm Bill would restore federal food stamp benefits to most legal immigrants effective October 1, 2002 (assumed 63% reduction to the FAP population).

The Food Stamp Reauthorization Act of 2002 did restore federal benefits to legal immigrants residing in the country for five years, however the implementation dates for this restoration are staggered, with the largest portion of the restoration being delayed to April 2003. Federal benefit restoration is as follows:

- October 1, 2002: legal immigrants who receive cash or medical benefits based on criteria at least as strict as Supplemental Security Income (SSI) disability criteria;
- April 1, 2003: legal immigrants who have lived in the U.S. for five years; and
- October 1, 2003: legal immigrants who are under 18 regardless of entry date.

The delayed implementation of this restoration of federal food benefits results in a \$2.82 million shortfall in this program.

**Narrative Justification and Impact Statement**

***How contributes to strategic plan:***

Funding of this request will allow the Economic Services Administration (ESA) to maintain a safety net for legal immigrants who are not yet eligible for federal food stamp benefits.

***Performance Measure Detail***

**Program: 060**

**Goal: 02F Maintain safety net for people in need.**

No measures submitted for package

Incremental Changes

FY 1

FY 2

***Reason for change:***

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As part of the 2002 Supplemental budget, the FAP budget was reduced in anticipation of federal legislation restoring benefits to 63 percent of this population effective October 1, 2002. While this restoration did occur with the passage of the Food Stamp Reauthorization Act of 2002, the implementation date for the largest part of the assumed population was delayed until April 1, 2003.

In addition, ESA was unable to implement the necessary changes in the Automated Client Eligibility System (ACES) to implement the first phase in of the restoration (legal immigrants who are disabled). This means that these clients will continue to receive state funded benefits for four additional months. The ACES changes will be implemented January 2003.

This package attempts to restore a portion of the funding for this program in Fiscal Year 2003 due to the phased-in implementation.

***Impact on clients and services:***

Restoration of these funds will allow the ESA to continue to provide food benefits to this population between the assumed implementation date, October 1, 2002, and the actual date of restoration of their federal food benefits on April 1, 2003.

***Impact on other state programs:***

None

***Relationship to capital budget:***

None

***Required changes to existing RCW, WAC, contract, or plan:***

None

***Alternatives explored by agency:***

In exploring other alternatives to this request for additional funds, ESA considered three alternatives:

The first was to restrict eligibility for FAP to clients made ineligible under welfare reform. While this alternative would reduce state expenditures in this program, it would also make Permanently Residing Under Color of Law (PRUCOL) clients ineligible for FAP benefits. These clients would be forced to rely on food banks and other community organizations to meet emergency food needs. In addition, the Legislature intended FAP to cover PRUCOL aliens.

The second alternative explored was to continue the current eligibility within existing funds and discontinue FAP when allotted funds were exhausted. However, this alternative merely delays the loss of food assistance benefits for clients ineligible for federal benefits. Funds for Fiscal Year 2003 would likely be exhausted early in the third quarter of the fiscal year. The largest restoration of federal benefits does not become effective until the fourth quarter of the state fiscal year.

The third alternative was to eliminate the FAP program entirely. RCW 74.08A.120 allows the department to administer FAP, but does not appear to require it. This alternative would eliminate the use of state funds for food assistance and reduces the complexity of determining eligibility for combined FAP and federal food assistance households. However, ending FAP would eliminate a food security net for many legal immigrants in this state and would likely cause an increase in demand at food banks and other community resources.

ESA determined that submitting a supplemental budget request to fund FAP based on the current eligibility criteria was the best alternative. Washington has made a commitment to meet the basic food needs of the residents of the state. The

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Legislature agreed to the current FAP budget assuming that Congress would restore federal benefits to all immigrants who lost eligibility under the Personal Responsibility Work Reconciliation Act (PRWORA). However, Congress phased-in the restoration of benefits, shifting the burden again to the state. It was not the Legislature's intent to stop providing necessary food benefits to legal immigrants in need.

***Budget impacts in future biennia:***

This package requests funding for Fiscal Year 2003 only.

***Distinction between one-time and ongoing costs:***

This is a one-time only request. There are no ongoing costs associated with this request.

***Effects of non-funding:***

Not funding this request would mean that ESA would be forced to stop serving some portion of the current FAP population in order to avoid over spending its current budget.

***Expenditure Calculations and Assumptions:***

Average number of FAP cases monthly (based on April 01-April 02 available data): 8,924

Average cost per case: \$81.84

Average monthly expenditures: \$730,321

Avg # of FAP who are PRUCOL: 558

Avg # of Non-PRUCOL FAP who are blind/disabled: 92

Avg # of Non-PRUCOL FAP who are NOT blind/disabled & who have been in the country 5 years: 5,837

Avg # of Non-PRUCOL FAP who are NOT blind/disabled, who are under the age of 18, and in the country less than five years: 8

(averages are monthly figures)

**SFY03**

1st quarter:  $\$730,321 * 3 = \$2,190,964$

2nd quarter:  $\$730,321 * 3 = \$2,190,964$

3rd quarter:  $\$730,321 * 3 - (92 * \$81.84 * 2) = \$2,175,905$

4th quarter:  $\$730,321 * 3 - (92 * \$81.84 * 3) - (5,837 * \$81.84 * 3) = \$735,276$

Total need for SFY03: \$7,293,109

SFY03 Current Allot: \$4,473,000

Need for SFY03: \$2,820,109

**Object Detail**

**Overall Funding**

N    Grants, Benefits & Client Services

**FY 1**

**FY 2**

**Total**

0

2,820,000

2,820,000

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**DSHS Source Code Detail**

<b>Overall Funding</b>		<b><u>FY 1</u></b>	<b><u>FY 2</u></b>	<b><u>Total</u></b>
<b>Fund 001-1, General Fund - Basic Account-State</b>				
<b><u>Sources</u></b>	<b><u>Title</u></b>			
0011	General Fund State	0	2,820,000	2,820,000
<i>Total for Fund 001-1</i>		<b>0</b>	<b>2,820,000</b>	<b>2,820,000</b>
<b>Total Overall Funding</b>		<b>0</b>	<b>2,820,000</b>	<b>2,820,000</b>